PuriCore plc
("PuriCore" or the "Company", and together with its subsidiaries, the "Group")

2016 Interim Financial Results

PuriCore Significantly Advances Transformation to Biopharmaceutical Company

20 September 2016 – PuriCore plc (AIM: PURI), an emerging specialty biopharmaceutical company focused on leveraging its proprietary immunomodulatory technology, today announces its interim financial results for the six months ended 30 June 2016.

In February, the Group confirmed its strategic focus to develop novel, prescription treatments for inflammatory diseases to include Dermatology, Ophthalmology and potentially rare diseases. The Company's first Investigational New Drug (IND) applications are planned for Q1 2017. Today the Company announced, in a separate release, that it has entered into an agreement to sell the Supermarket Retail business to Chemstar Corp. for $13.5 million gross proceeds, subject to a working capital adjustment and contingent on Shareholder approval and other customary requirements (the "Proposed Sale"). This is in line with the February announcement that the Board was considering strategic options for this business. If completed, this will allow the Group to focus its resources on realizing the potential of the Company's technology to deliver novel medicines.

FINANCIAL HIGHLIGHTS

In light of the Proposed Sale, accounting standards require that, as at 30 June 2016, the Company's Supermarket Retail business be presented in the financial statements as Operations Held for Sale. The Group's Continuing Operations, assuming the Proposed Sale is completed, comprise primarily a Wound Care product and drug formulations under development, as discussed more fully below.

Continuing Operations *

- Health Sciences revenue increased to $0.4 million (H1 2015: $0.3m) and primarily represents royalty income from the Company's distribution arrangement for its Wound Care product
- Other revenue was nil, as expected (H1 2015: $0.4m); H1 2015 revenue represented one-off fees paid by third parties to gain access to the Company's Active Chlorine Biocidal Products Regulation (BPR) dossier
- Operating expenses increased to $3.1 million (H1 2015: $2.5m) primarily driven by increased investment in research, development, pre-clinical and regulatory activities in Drug Development and lower sales and marketing costs for the Wound Care business
- EBITDA** loss of $2.5 million (H1 2015 loss: $1.7m) driven by increased Drug Development investment and the absence of comparable BPR revenue
- Net cash and cash equivalents were $12.8 million as at 30 June 2016 (as at 31 December 2015: $15.5m)

Supermarket Retail Business / Operations Held for Sale

- Revenue increased 28.3% to $10.8 million (H1 2015: $8.4m) primarily due to an increase in both capital equipment and concentrate sales
- Gross Margin increased to 41.2% (H1 2015: 19.5%) primarily due to lower service costs
- Operating expenses decreased 20.4% to $3.5 million (H1 2015: $4.4m) driven by reduced sales, marketing and corporate costs
- EBITDA** profit $1.5 million (H1 2015 loss: $2.2m) driven by higher gross profit and lower operating expenses

* *Continuing operations include the Wound Care product and other medical devices within the Health Sciences segment, Drug Development activities and costs associated with operating PuriCore plc.*
** *Earnings before interest, tax, depreciation, amortisation, and share based payment expense.*

OPERATIONAL HIGHLIGHTS

Continuing Operations

- In February, the Group confirmed its strategic focus to develop novel, prescription treatments for inflammatory diseases with potential application in Dermatology, Ophthalmology and rare diseases
- In June, the Company successfully completed a pre-IND meeting with the U.S. Food and Drug Administration (FDA) for its lead candidate PR022, which is being developed for the treatment of Atopic Dermatitis
- The Company made two key appointments:
  - In March, Dr. Simba Gill joined the Company's Board of Directors, bringing extensive experience in both development stage biotechnology companies, as well as established pharmaceutical companies
  - In April, Dr. Christian Peters joined the Company in the newly created position of Chief Medical Officer
- In June, the Directors approved a new share scheme, under which equity awards can be made to employees, with substantially the same terms as the existing share scheme which expired in June 2016

Supermarket Retail Business / Operations Held for Sale

- In February, it was announced that in light of the compelling opportunities to potentially generate significant shareholder value through the Drug Development strategy, and the associated planned investments, the Board was considering strategic options for the Supermarket Retail business
- In May, the Company reached resolution with the United States Environmental Protection Agency (EPA) following an investigation, which began last year, of the Company's concentrate products (part of the Supermarket Retail product portfolio) resulting in a payment that was adequately provisioned in the 2015 results

POST-PERIOD EVENTS

- Today it was announced that, as described in the separate release, the Group has agreed to sell the Supermarket Retail business to Chemstar Corp. for gross proceeds of $13.5 million, subject to a working capital adjustment and contingent on Shareholder approval and other customary requirements
- In August, the Company was granted two new patents by the United States Patent and Trademark Office in connection with the method of production, formulations and method of use of hypochlorous acid at therapeutic drug concentrations for the treatment of a broad range of inflammatory skin diseases
- Also in August, in light of positive pre-clinical results, the Company requested and received a date in November, for a pre-IND meeting with the FDA for PR013, which is being developed for the treatment of Allergic Conjunctivitis
- In September, the Company learned that additional positive pre-clinical data on Atopic Dermatitis was accepted for a poster presentation at the 2nd Inflammatory Skin Disease Summit in New York in November

Alex Martin, Chief Executive Officer of PuriCore, said:

"We have made significant progress during the period in our transition to a specialty biopharmaceutical company and in our efforts to leverage our proprietary immunomodulatory platform to develop potential therapeutics in areas with high unmet medical needs. We are on track to submit two INDs in Q1 2017. We have a clear path forward from the FDA for our Atopic Dermatitis program and we now have a date with the Agency to discuss our Allergic Conjunctivitis program later this year. The Board believes that the focus on drug development should lead to the creation of significant shareholder value over the longer term.

"The Supermarket Retail business delivered significantly improved results as compared to the first half of 2015; however investment is still required to grow and optimize the business. The announcement today that we have reached a conditional agreement with Chemstar Corp. to acquire the Supermarket Retail business is an important milestone in the execution of our strategy that will enable us to focus on leveraging our proprietary technology to develop medicines. We look forward to completing this transaction in due course."

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This announcement contains inside information

About PuriCore

PuriCore is an emerging specialty biopharmaceutical company focused on developing novel immunomodulatory therapies to protect and improve the lives of adults and children. The Company has initiated a drug development program, based on its proprietary hypochlorous acid technology at high concentrations. The Company believes their formulations have novel immunomodulatory activity with potential application for the treatment of diseases in a number of therapeutic areas such as Dermatology, Ophthalmology and potentially rare diseases. For more details, go to the Company's website: www.puricore.com

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

Business Report

In February, the Group announced its drug development strategy based on PuriCore's patented hypochlorous acid technology and formulations at high concentrations. As reported, the Group generated compelling evidence in pre-clinical studies that show these formulations have novel immunomodulatory activity with potential application for the treatment of diseases in a number of therapeutic areas such as Dermatology and Ophthalmology, including potentially rare diseases. In relevant animal models of disease, application of the formulations resulted in a statistically significant impact on allergen-induced itch and inflammation associated with Atopic Dermatitis (including evidence of the inhibition of key cytokines), as well as hyperemia (red eye) associated with Allergic Conjunctivitis. This work builds upon previous clinical experience with the Company's medical devices in Wound Care and Dermatology. Two Investigational New Drug (IND) applications are planned for Q1 2017.

It was also announced in February that in light of the compelling opportunities to potentially generate significant shareholder value through the Drug Development strategy, and considering the associated planned investments, the Board had engaged advisors to assist in considering strategic options for the Supermarket Retail business. Today it was announced that the Company has entered into an agreement to sell the Supermarket Retail business to Chemstar Corp. for gross proceeds of $13.5 million, subject to a working capital adjustment and contingent on Shareholder approval and other customary requirements (the "Proposed Sale"). A Circular will be issued to

Shareholders providing further background on the transaction and outlining the Directors' recommendation that Shareholders vote in favor of the Proposed Sale at the General Meeting which will be held on 6 October, 2016.

In light of the Proposed Sale, accounting standards require that, as at 30 June 2016, the Company's Supermarket Retail business be presented in the financial statements as Operations Held for Sale. The Group's Continuing Operations, assuming the Proposed Sale is completed, comprise primarily a Wound Care product and drug formulations under development.

HEALTH SCIENCES / CONTINUING OPERATIONS*

Health Sciences revenues increased to $0.4 million (H1 2015: $0.3m) and primarily represent royalty income from the Company's distribution arrangement for its Wound Care product. In March, the Company signed an amendment to its distribution agreement with SteadMed Medical which included an extension of the term.

In H1 2015, the Group realised other revenue of $0.4 million arising from one-off fees paid by third parties to gain letters of access to the Active Chlorine Biocidal Products Regulation (BPR) dossier and there were no comparable revenues in 2016.

Investment and efforts in the Health Sciences business are focused on research, development and regulatory initiatives to develop novel immunomodulatory drug formulations. During H1, the Group advanced pre-clinical studies, safety studies, formulation development and regulatory efforts in support of two IND filings planned for Q1 2017. A successful pre-IND meeting was held in June with the Dermatology division of the Food & Drug Administration (FDA) for the Company's lead product for the treatment of Atopic Dermatitis. Further, the team has been expanded through the hiring of Chief Medical Officer, Dr. Christian Peters and the addition of Dr. Simba Gill, an experienced biotechnology executive, to the Board as a Non-Executive Director.

* *Continuing operations include the Wound Care product and other medical devices within the Health Sciences segment, Drug Development activities and costs associated with operating PuriCore plc.*

Income Statement

HEALTH SCIENCES / CONTINUING OPERATIONS

Revenue for the Continuing Business was $0.4 million (H1 2015: $0.7m, including $0.3m related to Health Sciences and $0.4m of other revenue) due to higher royalty income from the Company's distribution arrangement for its medical device Wound Care product partially offset by no BPR income.

Operating expenses increased to $3.1 million (H1 2015: $2.5m) due to increased investment in research, development and regulatory activities in Drug Development partially offset by lower sales and marketing costs for the medical device products.

EBITDA** loss was $2.5 million (H1 2015 loss: $1.7m) due to increased Drug Development spend and the absence of comparable BPR revenue. A significant growth in investment is planned for the second half of 2016 to prepare for the IND filings in Q1 2017.

SUPERMARKET RETAIL / OPERATIONS HELD FOR SALE

Supermarket Retail revenues grew by 28.3% to $10.8 million (H1 2015: $8.4m), driven by capital equipment sales and new concentrate customers and higher consumption. Additionally, as reflected in the improvement of gross margins to 41.2% (H1 2015: 19.5%), the Company's actions to improve the reliability of its generators and update earlier versions of its concentrate delivery systems with lower-cost, more reliable units have resulted in significantly lower service costs during the comparative periods.

Operating expenses decreased to $3.5 million (H1 2015: $4.4m) driven by lower overall spending including reduced sales, marketing and corporate costs.

EBITDA** profit was $1.5 million (H1 2015 loss: $2.2m) driven by higher revenue, lower service costs and reduced operating expenditures.

The results for Supermarket Retail appear in the Consolidated Statement of Comprehensive Income as Profit / (Loss) from Operations Held for Sale.

*** Earnings before interest, tax, depreciation, amortisation, and share based payment expense.*

Cash Flow

As at 30 June 2016, cash and cash equivalents were $12.8 million (31 December 2015: $15.5m). There was no debt as at 30 June 2016 or as at 31 December 2015. Total cash used by the Group during the six months ended 30 June 2016 was $2.7 million.

PuriCore used $2.4 million in cash to fund operating activities (comprising $2.2m for Continuing Operations and $0.2m for Supermarket Retail) (H1 2015: $3.4m used, comprising $1.2m for Continuing Operations and $2.2m for Supermarket Retail). Cash absorbed during the first six months of 2016 was driven by the Company's investment in research and development within the Continuing Operations. In addition $0.3 million was used for investing activities (primarily capital needs) all related to Supermarket Retail (H1 2015: $0.9m used for investing with $0.3m related to Continuing Operations and $0.6m related to Supermarket Retail).

Outlook

It is expected that the Proposed Sale will be completed by early October and, if completed, a period of transition will follow during which the operations of the Supermarket Retail business will be transitioned to Chemstar Corp. The Group's focus will be continued development of a product candidate pipeline in several therapeutic areas based on formulations containing the Company's proprietary immunomodulatory technology. Investments are expected to increase in support of the filing of the two INDs and, following FDA acceptance, subsequent commencement of clinical studies in 2017. The Group will continue to have a modest revenue stream from the royalty associated with the Wound Care product which is licensed to SteadMed Medical. The Board believes that the focus on drug development should lead to the creation of significant shareholder value over the longer term.

FINANCIAL STATEMENTS

Continuing operations include primarily the Wound Care product and Drug Development activities. The Company's Supermarket Retail business has been presented as Operations Held for Sale, given the Proposed Sale, for all periods presented. Financial statements for the six months ended 30 June 2015 and twelve months ended 31 December 2015 have been restated to reflect the Supermarket Retail business as Operations Held for Sale.

Consolidated Statement of Comprehensive Income

For the six-month periods ended 30 June 2016 and 2015 and the 12-month period ended 31 December 2015

	For the six months ended		For the year ended
	30 June 2016	**30 June 2015**	**31 December 2015**
	Unaudited	Unaudited (1)	Audited (1)
	$	**$**	**$**
CONTINUING OPERATIONS			
Revenue	**361,840**	663,520	1,232,593
Cost of sales	**(47,366)**	(74,287)	(240,729)
Gross Profit	**314,474**	589,233	991,864
Sales and marketing expenses	**-**	(421,498)	(1,316,759)
General and administrative expenses	**(1,451,062)**	(1,245,449)	(2,472,981)
Research and development expenses	**(1,620,130)**	(848,692)	(2,394,640)
Total Operating Expenses	**(3,071,192)**	(2,515,639)	(6,184,380)
Loss from Continuing Operations before Interest and Tax	**(2,756,719)**	(1,926,406)	(5,192,516)
Finance costs	**-**	(6,146)	(12,089)
Net Finance Income / (Expense)	**-**	(6,146)	(12,089)
Loss from Continuing Operations before Taxation	**(2,756,718)**	(1,932,552)	(5,204,605)
Taxation Expense	(15,260)	(10,745)	(34,004)
Loss from Continuing Operations	**(2,771,978)**	(1,943,297)	(5,238,609)
PROFIT / (LOSS) FROM OPERATIONS HELD FOR SALE NET OF TAX			
Profit / (Loss) from Operations Held for Sale, net of tax (1)	**1,051,650**	(2,601,138)	(4,134,839)
Loss Attributable to Equity Holders of the Parent	**(1,720,328)**	(4,544,435)	(9,373,448)
Items that Are or May Be Reclassified to Profit and Loss:			
Foreign currency translation differences for foreign operations	**(6,183)**	(5,153)	(26,895)
Total Comprehensive Loss Attributable to Equity Holders of the Parent	**(1,726,511)**	(4,549,588)	(9,400,343)
Loss per Share, Basic and Diluted	**(0.03)**	(0.09)	(0.19)
Loss per Share, Continuing Operations, Basic and Diluted	**(0.06)**	(0.04)	(0.10)

(1) As at 30 June 2016, the Company's Supermarket Retail business has been presented as Operations Held for Sale in the financial statements. The Group's Continuing Operations comprise the Health Sciences business. The periods ended 31 December 2015 and 30 June 2015 have been restated to reflect the Supermarket Retail business as Operations Held for Sale.

Consolidated Statement of Financial Position

As at 30 June 2016 and 2015 and 31 December 2015

		As At	
	30 June 2016 Unaudited **$**	**30 June 2015** Unaudited (1) **$**	**31 December 2015** Audited (1) **$**
ASSETS			
Non-Current Assets			
Intangible assets	**-**	609,462	-
Property, plant, and equipment	**264,465**	315,852	139,060
Non-current other receivables	**39,379**	-	36,364
Total Non-Current Assets	**303,844**	925,314	175,424
Current Assets			
Inventories	**-**	336,927	-
Trade and other receivables	**323,098**	266,140	12,771
Available for sale assets in disposal group	**8,296,476**	11,013,977	9,134,032
Cash and cash equivalents	**12,769,954**	16,550,996	15,456,624
Total Current Assets	**21,389,528**	28,168,040	24,603,427
Total Assets	**21,693,372**	29,093,354	24,778,851
LIABILITIES			
Current Liabilities			
Trade payables and other accruals	**(1,265,150)**	(1,287,855)	(1,288,066)
Available for sale liabilities in disposal group	**(2,660,389)**	(3,601,427)	(4,155,564)
Loans and borrowings	**-**	(223,289)	-
Total Current Liabilities	**(3,925,539)**	(5,112,571)	(5,443,630)
Total Liabilities	**(3,925,539)**	(5,112,571)	(5,443,630)
Net Assets	**17,767,833**	23,980,783	19,335,221
EQUITY			
Share capital	**8,515,641**	8,515,641	8,515,641
Share premium	**81,414,651**	81,414,651	81,414,651
Other reserves	**103,852,014**	103,487,698	103,692,891
Retained earnings	**(176,016,332)**	(169,466,991)	(174,296,004)
Cumulative translation adjustment	**1,859**	29,784	8,042
Issued Capital and Reserves Attributable to Equity Holders of the Parent	**17,767,833**	23,980,783	19,335,221
Total Equity	**$ 17,767,833**	$ 23,980,783	$ 19,335,221

(1) As at 30 June 2016, the Company's Supermarket Retail business has been presented as Operations Held for Sale in the financial statements. The Group's Continuing Operations comprise the Health Sciences business. As at 31 December 2015 and 30 June 2015 have been restated to reflect the Supermarket Retail business as Operations Held for Sale.

Consolidated Cash Flow Statement

For the six-month periods ended 30 June 2016 and 2015 and the 12-month period ended 31 December 2015

	For the six months ended		For the year ended
	30 June 2016	**30 June 2015**	**31 December 2015**
	Unaudited	Unaudited (1)	Audited (1)
	$	**$**	**$**
Cash Flows from Operating Activities, Continuing Operations			
Loss for period	(2,771,978)	(1,943,297)	(5,238,609)
Adjustments for non-cash:			
Finance income	-	-	-
Finance costs	-	6,146	12,089
Depreciation and amortisation	63,747	114,921	558,201
Share-based payment expense	159,123	168,973	374,166
Write off of property, plant and equipment	31,416	733	100,126
Operating Loss before Movement in Working Capital	(2,517,692)	(1,652,523)	(4,194,027)
Decrease in trade and other receivables	375,845	713,253	1,430,658
(Increase) / Decrease in inventories	(298)	(310,768)	26,160
(Decrease) / Increase in trade payables and other accruals	(10,679)	90,304	173,466
Decrease in taxes payable	-	-	(75,000)
Cash Used in Operations, Held for Sale-Operating Activities	(347,050)	(2,409,268)	(1,108,805)
Cash Used in Operations	(2,499,874)	(3,569,003)	(3,747,548)
Finance income, Held for Sale	114,891	167,425	315,718
Net Cash Flow from Operating Activities	(2,384,983)	(3,401,578)	(3,431,830)
Cash Flows from Investing Activities			
Purchases of property, plant, and equipment	-	(126,528)	(131,093)
Purchases of intangible assets	-	(236,176)	-
Cash Used in Operations, Held for Sale-Investing Activities	(284,688)	(559,944)	(1,598,001)
Net Cash Flow from Investing Activities	(284,688)	(922,648)	(1,729,094)
Cash Flows from Financing Activities			
Interest paid on borrowings	-	(6,146)	(12,089)
Repayment of line of credit	-	-	(223,323)
Net Cash Flow from Financing Activities	-	(6,146)	(235,412)
Net Decrease in Cash and Cash Equivalents	(2,669,671)	(4,330,372)	(5,396,336)
Cash and Cash Equivalents at Beginning of Period	15,456,624	20,887,379	20,887,379
Effect of Foreign Exchange Rate Changes on Cash Held	(16,999)	(6,011)	(34,419)
Total Cash and Cash Equivalents Held at End of Period	12,769,954	16,550,996	15,456,624

(1) As at 30 June 2016, the Company's Supermarket Retail business has been presented as Operations Held for Sale in the financial statements. The Group's Continuing Operations comprise the Health Sciences business. The periods ended 31 December 2015 and 30 June 2015 have been restated to reflect the Supermarket Retail business as Operations Held for Sale.

Consolidated Statement of Changes in Equity

For the six-month periods ended 30 June 2016 and 2015 and the 12-month period ended 31 December 2015

	Share capital $	Share premium $	Other reserves $	Retained earnings $	Cumulative translation adjustment $	Total $
As at 1 January 2016	8,515,641	81,414,651	103,692,891	(174,296,004)	8,042	19,335,221
Loss for the period	-	-	-	(1,720,328)	-	(1,720,328)
Other comprehensive income	-	-	-	-	(6,183)	(6,183)
Total comprehensive income	-	-	-	(1,720,328)	(6,183)	(1,726,511)
Share-based payment movement	-	-	159,123	-	-	159,123
Transactions with owners	-	-	159,123	-	-	159,123
As at 30 June 2016	**8,515,641**	**81,414,651**	**103,852,014**	**(176,016,332)**	**1,859**	**17,767,833**
As at 1 January 2015	8,515,641	81,414,651	107,764,975	(169,368,806)	34,937	28,361,398
Loss for the period	-	-	-	(4,544,435)	-	(4,544,435)
Other comprehensive income	-	-	-	-	(5,153)	(5,153)
Total comprehensive income	-	-	-	(4,544,435)	(5,153)	(4,549,588)
Reclassification following lapse of share options and warrants	-	-	(4,446,250)	4,446,250	-	-
Share-based payment movement	-	-	168,973	-	-	168,973
Transaction with owners	-	-	(4,277,277)	4,446,250	-	168,973
As at 30 June 2015	8,515,641	81,414,651	103,487,698	(169,466,991)	29,784	23,980,783
As at 1 January 2015	8,515,641	81,414,651	107,764,975	(169,368,806)	34,937	28,361,398
Loss for the year	-	-	-	(9,373,448)	-	(9,373,448)
Other comprehensive income	-	-	-	-	(26,895)	(26,895)
Total comprehensive income	-	-	-	(9,373,448)	(26,895)	(9,400,343)
Reclassification following lapse of share options and warrants	-	-	(4,446,250)	4,446,250	-	-
Share-based payment movement	-	-	374,166	-	-	374,166
Transactions with owners	-	-	(4,072,084)	4,446,250	-	374,166
As at 31 December 2015	8,515,641	81,414,651	103,692,891	(174,296,004)	8,042	19,335,221

General Information and Basis of Preparation

PuriCore plc is domiciled in the United Kingdom. As at 30 June 2016, the Company has presented its Supermarket Retail business as Operations Held for Sale as a result of the Proposed Sale. The consolidated interim financial statements of the Company as at and for the six months ended 30 June 2016 and 2015 and the consolidated financial statements as at 31 December 2015 and for the 12 months ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group") representing the Continuing and Operations Held for Sale (the Supermarket Retail business). Financial statements for the six months ended 30 June 2015 and twelve months ended 31 December 2015 have been restated to reflect the Supermarket Retail business as Operations Held for Sale. The financial statements have been prepared in accordance with IAS 34 "*Interim Financial Reporting*" (IAS34). The financial statements do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2015.

The financial statements are presented in US dollars (USD), rounded to the nearest dollar. The USD has been chosen as the presentational currency as a significant portion of the Group's revenue and expenses are denominated in USD.

The consolidated interim financial statements have been approved for issue by the Board of Directors for issuance on 20 September 2016.

The interim financial statements for the periods ended 30 June 2016 and 2015 are unaudited and do not comprise statutory accounts within the meaning of Sections 434 and 435 of the Companies Act of 2006.

The comparative figures for the financial year ended 31 December 2015 are not the Company's statutory accounts for the financial year. The statutory accounts for the year ended 31 December 2015, which were prepared under International Financial Reporting Standards adopted by the EU ("Adopted IFRS"), have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, and (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report. The results for the year ended 31 December 2015 have been re-stated to show the Supermarket Retail business as Operations Held for Sale.

Significant Accounting Policies

The accounting policies set out in the annual report and accounts for the year ended 31 December 2015 have been applied consistently throughout the Group for the purpose of these consolidated interim financial statements.

Use of Estimates and Judgments

The preparation of interim financial statements required management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2015.

Going Concern

The financial statements are prepared on a going concern basis, which the Directors believe to be appropriate for the reasons set out below. The Group meets its day-to-day working capital requirements through its cash balances. As at 30 June 2016 the Group had $12.8 million of cash and cash equivalents and no debt. Further, the Proposed Sale is expected to result in the receipt of net proceeds of approximately $10.8 million after both transaction costs and related separation payments to employees. Although certain purchase commitments have been made in connection with the Company's Drug Development activities, the timing of investments could be delayed and the amount could be reduced, if necessary, based on the Company's cash position and if the Proposed Sale did not proceed.

The Directors have concluded the Group will continue to operate with sufficient funding, and accordingly these interim financial statements have been prepared on a going concern basis.

Segmental Analysis (Continuing Operations and Operations Held for Sale)

The Continuing Operations of the Group represent the Wound Care product, certain other medical devices and the Company's Drug Development activities. Segmental information is provided having regard to the nature of the goods and services provided and the markets served.

An analysis of the Group's business segments (Continuing Operations and Operations Held for Sale) for the six months ended 30 June 2016 and 2015 and the year ended 31 December 2015 is as follows.

	For the six months ended 30 June 2016			
	Health Sciences $	Company & Other (1) $	Total Continuing Operations $	Operations, Held for Sale; Supermarket Retail $
Revenue	361,840	-	361,840	10,794,132
Gross Profit	314,474	-	314,474	4,442,726
Profit / (Loss) before Interest, Tax, Depreciation & Amortisation, and Share-Based Payment Expense	(1,864,087)	(669,761)	(2,533,848)	1,498,867
Interest Income	-	-	-	114,891
Depreciation and amortisation	(31,469)	(32,278)	(63,747)	(421,366)
Write-off of assets (2)	-	-	-	(140,742)
Share-based payment expense	-	(159,123)	(159,123)	-
Profit / (Loss) before Tax	(1,895,556)	(861,162)	(2,756,718)	1,051,650
Total Segment Assets, excluding cash and cash equivalents, as at 30 June 2016	123,101	503,842	626,943	8,296,476

	For the six months ended 30 June 2015			
	Health Sciences $	Company & Other (1) $	Total Continuing Operations $	Operations, Held for Sale; Supermarket Retail $
Revenue	306,297	357,223	663,520	8,411,373
Gross Profit	232,010	357,223	589,233	1,636,072
Loss before Interest, Tax, Depreciation & Amortisation, and Share-Based	(1,324,974)	(329,011)	(1,653,985)	(2,158,986)
Interest (expense) / Income	-	(6,146)	(6,146)	167,425
Depreciation and amortisation	(71,581)	(31,867)	(103,448)	(609,577)
Share-based payment expense	-	(168,973)	(168,973)	-
Loss before Tax	(1,396,555)	(535,997)	(1,932,552)	(2,601,138)
Total Segment Assets, excluding cash and cash equivalents, as at 30 June 2015	1,315,635	212,747	1,528,381	11,013,977

	For the twelve months ended 31 December 2015			
	Health Sciences $	Company & Other (1) $	Total Continuing Operations $	Operations, Held for Sale; Supermarket Retail $
Revenue	611,076	621,517	1,232,593	22,173,276
Gross Profit	370,347	621,517	991,864	5,656,947
Loss before Interest, Tax, Depreciation & Amortisation, and Share-Based Payment	(3,345,216)	(914,933)	(4,260,149)	(2,524,642)
Interest expense, net	-	(12,089)	(12,089)	315,718
Depreciation and amortization (3)	(461,225)	(96,975)	(558,201)	(1,186,028)
Write-off of assets (2)	-	-	-	(739,887)
Share-based payment expense	-	(374,166)	(374,166)	-
Loss before Tax	(3,806,441)	(1,398,163)	(5,204,605)	(4,134,839)
Total Segment Assets, excluding cash and cash equivalents, as at 31 December 2015	59,334	128,861	188,195	9,134,032

(1) Company and Other includes costs associated with operating PuriCore plc. In 2015, Company and Other also included non-recurring BPR revenue.
(2) Represents the write off of certain concentrate delivery system assets, as customers purchased alternate capital equipment (generators), no longer in use.
(3) Includes amortisation of medical device-related intangible asset no longer in use.

Earnings per Share

Both basic and diluted earnings per share have been calculated using the profit or loss attributable to the equity shareholders of the parent company as the numerator since no adjustments to profits or losses were necessary during the six months ended 30 June 2016 and 2015 or the year ended 31 December 2015.

The Group's issued share capital at 30 June 2016 consisted of 50,135,432, 10 pence ordinary shares. The weighted average number of shares for the calculation of the Group's basic and diluted profit or loss per share for the six months ended 30 June 2016 and 2015 and year ended 31 December 2015 is as follows.

	For the six months ended		For the year ended
	30 June 2016	30 June 2015	31 December 2015
Number of Shares			
Weighted average number of ordinary shares for the purpose of basic earnings / (loss) per share	50,135,432	50,135,432	50,135,432
Weighted average number of ordinary shares for the purpose of diluted profit per share *	50,135,432	50,135,432	50,135,432

* The calculation for diluted loss per share is identical to that used for basic loss per share. The exercise of share options would have the effect of reducing the loss per share and are therefore excluded since not dilutive under the terms of IAS 33 "Earnings per Share."

Operations Held for Sale

PuriCore's Operations Held for Sale represents its Supermarket Retail business which management held for sale as of 30 June 2016. The Supermarket Retail business was not classified as Held for Sale as at 31 December 2015 or as at 30 June 2015; however, the comparative Statement of Comprehensive Income, Summary Statement of Cash Flows, and Statement of Financial Position for the Supermarket Retail segment are as follows.

	For the six months ended		For the year ended
	30 June 2016	30 June 2015	31 December 2015
	$	$	$
Results of Discontinued Operations			
Revenue	10,794,132	8,411,373	22,173,276
Cost of sales	(6,351,406)	(6,775,301)	(16,516,329)
Gross Profit	4,442,726	1,636,072	5,656,947
Operating Expenses	(3,505,967)	(4,404,635)	(10,107,504)
Results from Operating Activities	936,759	(2,768,563)	(4,450,557)
Finance Income	114,891	167,425	315,718
Taxation expense	-	-	-
Profit / (Loss) from Operations Held for Sale, net of tax	1,051,650	(2,601,138)	(4,134,839)
Basic and diluted Earnings/ (Loss) per Share from Operations Held for Sale	0.03	(0.05)	(0.09)

	For the six months ended 30 June 2016 $	For the six months ended 30 June 2015 $	For the twelve months ended 31 December 2015 $
Net Cash Flow from Operating Activities	(347,050)	(2,409,268)	(1,108,805)
Finance Income	114,891	167,425	315,718
Net Cash Flow from Investing Activities	(284,688)	(559,944)	(1,598,001)
Net Cash Used in Operations, Held for Sale	(516,847)	(2,801,787)	(2,391,088)

	As at 30 June 2016 $	As at 30 June 2015 $	As at 31 December 2015 $
Effect of Disposal on the Financial Position of the Group			
ASSETS			
Non-Current Assets			
Intangible assets	493,362	685,574	589,468
Property, plant, and equipment	1,992,998	2,842,662	2,492,447
Non-current lease receivables	581,966	1,773,928	1,272,276
Total Non-Current Assets	3,068,326	5,302,164	4,354,191
Current Assets			
Inventories	1,249,490	1,347,706	1,643,465
Trade and other receivables	3,978,660	4,364,107	3,136,376
Total Current Assets	5,228,150	5,711,813	4,779,841
Total Assets	8,296,476	11,013,977	9,134,032
LIABILITIES			
Current Liabilities			
Trade payables and other accruals	(2,660,389)	(3,601,427)	(4,155,564)
Total Current Liabilities	(2,660,389)	(3,601,427)	(4,155,564)
Net Assets Held for Sale	5,636,087	7,412,550	4,978,468

Products and Services of the Continuing Operations

PuriCore is an emerging specialty biopharmaceutical company focused on leveraging its proprietary immunomodulatory technology at high concentrations. Upon completion of the Proposed Sale, the Continuing Operations, will include the Wound Care product, which is marketed through a distribution arrangement with SteadMed medical, and other medical devices within the Health Sciences segment and Drug Development activities.

Risks and Uncertainties

The Group continues to be affected by a number of risks. Many risks, including those associated with the Drug Development strategy, have not changed materially since 31 December 2015 and are detailed beginning on page 7 of the Company's 2015 Annual Report, a copy of which is available on the Company's website, www.puricore.com. However, additional risks and uncertainties arise as a result of the Proposed Sale and the composition of the Continuing Operations which are listed below.

Following completion of the Proposed Sale, the Group will be focused primarily on activities to develop and seek approval for certain therapeutic applications of hypochlorus-based pharmaceutical formulations. Accordingly, the Group will have a significantly reduced number of employees comprising executive management, clinical and regulatory support, research and development, strategy and limited administration functions. Additionally, the Group will continue to earn modest royalty revenue associated with Vashe® wound-care product, which continues to be licensed to a marketing and manufacturing partner, SteadMed Medical, under a recently amended commercial arrangement. Importantly, the Company will retain critical research and development capability through employees with experience in hypochlorous acid and product development following completion.

The business will shift significantly if the Proposed Sale is completed, resulting in greater cash requirements, overall less diversified business operations, and focus in the biopharmaceutical sector which is inherently riskier than an established Supermarket Retail sector. The Group will lose its primary source of revenue. The Company will become primarily a development company with limited revenue stream and significant costs. Additionally, a drug development strategy involves inherent risks associated with demonstrating safety and efficacy of compounds, ensuring stable formulations, demonstrating clinical efficacy, achieving regulatory approval and then delivering commercial success.

Given the significance of the drug development strategy to the future of the Company following the Proposed Sale, failure to implement a successful research and development strategy could result in an inability to deliver new products and indications, which would have a material detrimental effect on the sustainability of the business. Failure of programmes could result from lack of organisational resource or capability deficiencies, inadequate planning or anticipation of obstacles, poorly designed testing protocols, changes in the regulatory landscape, failure to achieve clinical results or regulatory approvals, or from the formulations not having the clinical benefits or safety profiles that were anticipated. Even if regulatory approvals are obtained, adoption of the Group's products could prove slow or difficult, depending upon other products or available therapies for the indications. Other drug companies could develop safer or more effective products for the same indications and secure a significant portion of the available market. Macro-economic factors could impact the pricing or payers' willingness to reimburse patients for the Group's products. There are many uncertainties and variables which could impact the timing and likelihood of the Company's successfully delivering a new drug. Additionally, given the significant investment required, the Group may not be able to fund on-going development costs without additional financing from one or more sources.

The new business strategy in developing drug formulations in targeted therapeutic areas will result in an increased risk associated with the necessary pre-clinical (animal) and clinical (human) studies that need to be conducted. The clinical testing could result in harm to humans for which the Company could be held responsible. If humans and/or animals were harmed as a consequence of the Company's actions, it could have a material negative effect on the Company's financial results and cash flow as well as its reputation and consequently its access to potential financing. The Group will seek to mitigate these risks with management oversight and liability insurance.

The Board considers that the risks associated with the new strategic focus are commensurate with the potential for significant value creation through the development of applications of PuriCore's proprietary hypochlorous technology, and that the potential benefit to Shareholders justifies the investment of the net proceeds in the Continuing Operations.

Responsibility Statement of the Directors in Respect of the Half Yearly Financial Report

We confirm that to the best of our knowledge the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

The Directors of PuriCore plc as of 31 December 2015 are listed in the PuriCore plc 2015 Annual Report. This report is available on the Company's website at www.puricore.com. A current list of Directors is available on the Company's website at www.puricore.com.

By order of the Board
Charles Spicer
Non-Executive Chairman

20 September 2016